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MANUFACTURING AND TRADE INVENTORIES AND SALES October 2006

Special Notice – The retail and wholesale estimates in this report are based on new samples. New samples for the Monthly Retail and Wholesale Trade Surveys were introduced with special releases in November 2006. For further information on the sample revision, see our website at <http://www.census.gov/bussales>.

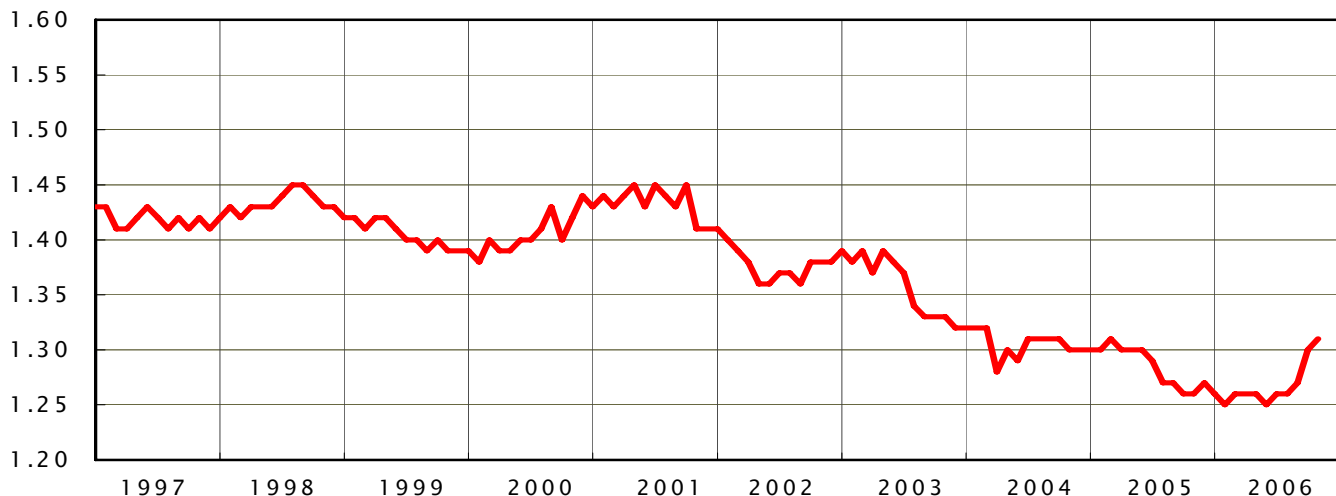
Sales. The U.S. Census Bureau announced today that the combined value of distributive trade sales and manufacturers' shipments for October, adjusted for seasonal and trading-day differences but not for price changes, was estimated at \$1,046.3 billion, down 0.2 percent ($\pm 0.2\%$)* from September and up 3.6 percent ($\pm 0.4\%$) from October 2005.

Inventories. Manufacturers' and trade inventories adjusted for seasonal variations but not for price changes, were estimated at an end-of-month level of \$1,365.9 billion, up 0.4 percent ($\pm 0.1\%$) from September and up 7.3 percent ($\pm 0.5\%$) from October 2005.

Inventories/Sales Ratio. The total business inventories/sales ratio based on seasonally adjusted data at the end of October was 1.31. The October 2005 ratio was 1.26.

Total Business Inventories/Sales Ratios: 1997 to 2006

(Data adjusted for seasonal, holiday and trading-day differences but not for price changes)



The Manufacturing and Trade Inventories and Sales Report for November is scheduled to be released January 12, 2007 at 10:00 a.m. EST.

For information, visit the Census Bureau's Web site at <http://www.census.gov/bussales>. This report is also available the day of issue through the Department of Commerce's STAT-USA (202-482-1986).

* The 90 percent confidence interval includes zero. The Census Bureau does not have sufficient statistical evidence to conclude that the actual change is different from zero.

Table 1. Estimated Monthly Sales and Inventories for Manufacturers, Retailers, and Merchant Wholesalers
(In millions of dollars)

	Sales			Inventories ¹			Inventories/Sales Ratios		
	Oct. 2006	Sep. 2006	Oct. 2005	Oct. 2006	Sep. 2006	Oct. 2005	Oct. 2006	Sep. 2006	Oct. 2005
	(p)	(r)	(s)	(p)	(r)	(s)			
Adjusted²									
Total business.....	1,046,286	1,047,878	1,009,800	1,365,943	1,361,086	1,272,910	1.31	1.30	1.26
Manufacturers ³	389,854	389,406	385,959	481,078	479,304	449,332	1.23	1.23	1.16
Retailers.....	328,648	329,040	314,307	491,941	491,908	466,604	1.50	1.49	1.48
Merchant wholesalers.....	327,784	329,432	309,534	392,924	389,874	356,974	1.20	1.18	1.15
Not Adjusted									
Total business.....	1,058,319	1,049,970	1,012,724	1,388,863	1,354,410	1,295,140	1.31	1.29	1.28
Manufacturers ³	397,966	404,983	394,000	484,211	479,556	451,922	1.22	1.18	1.15
Retailers.....	319,009	316,734	305,801	510,656	486,981	484,966	1.60	1.54	1.59
Merchant wholesalers.....	341,344	328,253	312,923	393,996	387,873	358,252	1.15	1.18	1.14

See footnotes and notes at the end of Table 3.

(p) Preliminary.

(r) Revised.

(s) Adjusted data were revised due to concurrent seasonal adjustment. No revisions were made to Not Adjusted data.

Table 2. Percent Changes for Sales and Inventories — Manufacturers, Retailers, and Merchant Wholesalers

	Adjusted						Not Adjusted					
	Sales			Inventories			Sales			Inventories		
	Oct. 06/ Sep. 06	Sep. 06/ Aug. 06	Oct. 06/ Oct. 05	Oct. 06/ Sep. 06	Sep. 06/ Aug. 06	Oct. 06/ Oct. 05	Oct. 06/ Sep. 06	Sep. 06/ Aug. 06	Oct. 06/ Oct. 05	Oct. 06/ Sep. 06	Sep. 06/ Aug. 06	Oct. 06/ Oct. 05
Total business.....	-0.2	-2.3	3.6	0.4	0.3	7.3	0.8	-6.0	4.5	2.5	1.0	7.2
Manufacturers.....	0.1	-4.2	1.0	0.4	0.6	7.1	-1.7	-3.6	1.0	1.0	-0.2	7.1
Retailers.....	-0.1	-0.8	4.6	0.0	-0.3	5.4	0.7	-8.3	4.3	4.9	2.1	5.3
Merchant wholesalers..	-0.5	-1.5	5.9	0.8	0.7	10.1	4.0	-6.7	9.1	1.6	1.1	10.0

Table 3. Estimated Monthly Retail Sales, Inventories, and Inventories/Sales Ratios, By Kind of Business
(In millions of dollars)

NAICS Code	Kind of Business	Sales			Inventories ¹			Percent Change In Inventories			Inventories/Sales Ratios		
		Oct. 2006 (p)	Sep. 2006 (r)	Oct. 2005 (s)	Oct. 2006 (p)	Sep. 2006 (r)	Oct. 2005 (s)	Oct. 06/ Sep. 06	Sep. 06/ Aug. 06	Oct. 06/ Oct. 05	Oct. 06	Sep. 06	Oct. 05
	Adjusted ²												
	Retail trade, total.....	328,648	329,040	314,307	491,941	491,908	466,604	0.0	-0.3	5.4	1.50	1.49	1.48
	Total (excl. motor veh. & parts).....	251,451	252,578	244,657	331,833	330,887	316,593	0.3	0.2	4.8	1.32	1.31	1.29
441	Motor vehicle & parts dealers.....	77,197	76,462	69,650	160,108	161,021	150,011	-0.6	-1.4	6.7	2.07	2.11	2.15
442,3	Furniture, home furn., elect. & appl. stores.....	18,960	19,032	18,094	31,487	31,390	29,936	0.3	0.1	5.2	1.66	1.65	1.65
444	Building materials, garden equip & supplies.....	29,289	29,152	28,520	47,844	48,194	45,234	-0.7	-1.3	5.8	1.63	1.65	1.59
445	Food & beverage stores.....	46,151	45,576	43,985	34,641	34,522	33,456	0.3	0.3	3.5	0.75	0.76	0.76
448	Clothing & clothing access. stores.....	18,341	18,454	17,173	45,402	45,060	42,360	0.8	1.0	7.2	2.48	2.44	2.47
452	General merchandise stores.....	46,409	46,562	44,952	75,403	74,544	73,295	1.2	0.6	2.9	1.62	1.60	1.63
4521	Dept. str. (excl. leased depts.).....	17,641	17,736	17,983	36,817	36,556	37,430	0.7	1.0	-1.6	2.09	2.06	2.08
	Not Adjusted												
	Retail trade, total.....	319,009	316,734	305,801	510,656	486,981	484,966	4.9	2.1	5.3	1.60	1.54	1.59
	Total (excl. motor veh. & parts).....	247,641	242,987	241,598	356,710	338,584	340,592	5.4	3.6	4.7	1.44	1.39	1.41
441	Motor vehicle & parts dealers.....	71,368	73,747	64,203	153,946	148,397	144,374	3.7	-1.0	6.6	2.16	2.01	2.25
442,3	Furniture, home furn., elect. & appl. stores.....	17,897	18,340	17,136	34,100	31,484	32,481	8.3	2.7	5.0	1.91	1.72	1.90
444	Building materials, garden equip & supplies.....	29,961	28,582	28,657	46,744	46,989	44,239	-0.5	-1.4	5.7	1.56	1.64	1.54
445	Food & beverage stores.....	44,963	44,957	43,508	35,574	34,228	34,357	3.9	1.4	3.5	0.79	0.76	0.79
448	Clothing & clothing access. stores.....	17,504	16,859	16,579	50,442	48,214	47,062	4.6	5.6	7.2	2.88	2.86	2.84
452	General merchandise stores.....	44,694	42,557	43,906	86,690	78,475	84,232	10.5	7.8	2.9	1.94	1.84	1.92
4521	Dept. str. (excl. leased depts.).....	16,681	15,761	17,406	43,628	39,005	44,242	11.9	10.2	-1.4	2.62	2.47	2.54

(p) Preliminary.

(r) Revised.

(s) Adjusted data were revised due to concurrent seasonal adjustment. No revisions were made to Not Adjusted data.

¹ Inventories are on a non-LIFO basis as of the end of the month.

² Adjusted for seasonal variations and, in the case of sales, for trading-day differences and holiday variations. Concurrent seasonal adjustment is being used to adjust all sales, shipment and inventory estimates. Concurrent seasonal adjustment uses all available unadjusted estimates as input to the X-12-ARIMA program. The factors derived from the program are applied to the current and previous month estimates and for retail and wholesale estimates a year ago as well. For retail sales, concurrent seasonal adjustment is also used to adjust the advance estimates (published one month before the preliminary estimates) and the estimates one year before the advance month. This explains the revision to retail estimates from a year ago.

³ Manufacturers sales refer to the value of shipments by manufacturers. The shipments data from individual manufacturers are adjusted prior to tabulation for the number of trading days as well as for any variations in the length of the reporting period.

Note: U.S. and group totals include kinds of business not shown. The Manufacturing and Trade Inventory and Sales estimates are based on data from three surveys: the Monthly Retail Trade Survey, the Monthly Wholesale Trade Survey, and the Manufacturers' Shipments, Inventories, and Orders Survey. The sampling variability for retailers and merchant wholesalers can be used to construct a 90 percent confidence interval for the estimates. Over all possible samples, 90 percent of such intervals will cover the true estimate. These intervals are given in parentheses for the estimates on the front page. If, for example, the estimate is up 0.8 percent and the margin of sampling error is ± 1.2 percent, the 90 percent confidence interval is -0.4 percent to +2.0 percent. If the range contains 0, it is uncertain whether there was an increase or decrease. Measures of reliability for Retail and Wholesale sales and inventory levels and changes are included in the detailed monthly press releases for those industries. Manufacturers do not contribute to estimates of sampling variability because the manufacturer's mail panel is not a probability sample from a known frame and standard errors of the industry estimates cannot be calculated. Estimates from all three surveys are also subject to nonsampling errors, which can arise in any stage of the survey. Such errors include coverage error (failure to accurately represent all population units in the sample) response errors, coding errors, and nonresponse. Although no direct measurement of these errors has been obtained, precautionary steps were taken in all phases of the collection, processing, and tabulation of the data to minimize their influence.